RULE 26.1 DISCLOSURE STATEMENT

I hereby certify that Real Party in Interest, LAS VEGAS PAVING CORPORATION does not have a parent corporation and that there are not parent corporations or publicly held companies that own more than 10% or more of any of the real party in interest's stock. Phillip R. Emerson of Emerson Law Group has appeared for NEVADA DIRECT INSURANCE COMPANY and no other attorneys are expected to appear on its behalf in this matter. These representations are made in order that the judges of this Court may evaluate possible disqualifications or recusal.

DATED this 17th day of October, 201/1.

EMERSON LAW GROUP

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TABLE OF AUTHORITIES The Court is directed to the following legal authority, which supports the argument contained in this brief: **Statutes** Case Law Cheung v. Eighth Judicial Dist. Court of Nev., 121 Nev. 867, 124 P.3d 550 (2005) Kahn v. Orme, 108 Nev. 510, 835 P.2d 790, 793 (1992)......Page 15 Hotel Last Frontier Corp. v. Frontier Properties, 79 Nev. 150, 156, 380 P.2d 293, Gladys Baker Olsen Family Trust, By & Through Olsen v. Olsen, 109 Nev. 838,

<u>I.</u>

STATEMENT OF THE ISSUES PRESENTED

Is JCRCP 72B applicable to an appeal of a small claims justice court judgment subsequent to a party appealing and formally objecting to an initial small claims hearing findings?

In the alternative, did the district court correctly apply JCRCP 1 to its analysis of Real Party in Interest's appeal of the justice court judgment?

<u>II.</u>

STATEMENT OF THE FACTS

This is an action arising from a motor vehicle incident. Petitioner filed a small claims complaint in Las Vegas Justice Court on August 17, 2015. RA000001-3. A small claims hearing was heard on November 29, 2016, and on December 2, 2016, the Referee's Findings of Fact, Conclusions of Law and Recommendations was filed. RA000004-5. Petitioner then appealed the Referee's findings via a formal objection, which was filed December 7, 2016. RA000006. Subsequently, a Small Claims Notice to Appear for a Formal Objection Hearing was issued. RA000007.

Following the Formal Objection Hearing, the Small Claims Judgment was entered in Justice Court and filed on March 22, 2017. RA000008-12. Real Party in Interest's Notice of Appeal was then filed April 7, 2017. RA000013-19.

RA000020-25. Real Party in Interest filed its opposition on May 19, 2017. RA000026-41. Petitioner filed his reply in support of his motion to dismiss on May 24, 2017. RA000042-57.

Thereafter, Petitioner filed a Motion to Dismiss Appeal on April 24, 2017.

Following oral arguments before district court on June 1, 2017, supplemental briefing was ordered and Real Party in Interest's supplemental brief was filed June 1, 2017. RA000058-73. An errata to the supplemental opposition was filed June 7, 2017. RA000074-83. Petitioner's reply to the supplemental briefing was filed June 13, 2017. RA000084-99. Thereafter, district court issued a minutes order on June 26, 2017, denying Petitioner's motion to dismiss appeal. RA000100-101. A notice of entry of order denying Petitioner's motion to dismiss appeal was subsequently filed August 11, 2017. RA000102-106.

<u>III.</u>

SUMMARY OF THE ARGUMENT

In present matter, the Respondent District Court incorrectly applied JCRCP 98 rather than JCRCP 72B, as Real Party in Interest appealed a judgment entered in Small Claims Justice Court, after Petitioner had appealed a referee's findings and conclusions at the original small claims hearing. As such, Real Party in Interest's Notice of Appeal was timely filed and Respondent District Court properly denied Petitioner's Motion to Dismiss Appeal.

In the alternative, the facts show JCRCP 98 and 72B are ambiguous, as conceded by Respondent District Court and as exhibited by the vague description of the Civil Law Self Help Center website. As such, a literal application of Rule 98 would invoke injustice and hardship upon Real Party in Interest. Accordingly, Respondent District Court correctly applied JCRCP 1 in the interests of justice and in the state's interest of adjudicating this case on its merits.

IV.

LEGAL ARGUMENT

A. Real Party In Interest's Notice of Appeal Was Timely Under JCRCP 72B.

Petitioner asserts Respondent District Court was removed of subject matter jurisdiction over Real Party in Interest, *LAS VEGAS PAVING CORPORATION*'S (hereinafter "LVP") appeal of the small claims trial de novo. As such, Petitioner overlooks the fact that LVP opposed Petitioner's Motion to Dismiss Appeal on the basis that JCRCP 72B was applicable, not JCRCP 98, due to the fact that the underlying claim involved an appeal from Justice Court to District Court, allowing 20 days for appeal under JCRCP 72B. Yet, Petitioner fails to reference any specific, binding authority precluding Respondent District Court from applying JCRCP 1 to the issue of LVP's appeal from the justice court judgment.

In addition, JCRCP 1, in conjunction with this Court's established reasoning to have cases determined on its merits, favors a ruling affirming Respondent

District Court's decision to deny Petitioner's Motion to Dismiss Appeal. Specifically, an injustice unfairly prejudicing LVP arose out of the ambiguity between JCRCP 72B and JCRCP 98. Accordingly, Respondent District Court's application of JCRCP 1 was proper.

1. JCRCP 72B is applicable to this matter following the trial de novo in justice court.

Under Nev. JCR. Civ. P. 72(a):

(a) Filing the Notice of Appeal. An appeal permitted by law from a justice court to the district court shall be taken by filing a notice of appeal with the clerk or justice of the justice court within the time allowed by Rule 72B. (Emphasis added).

In addition, under Nev. JCR. Civ. P. 72B(a):

(a) Appeals in Civil Cases. In a civil case in which an appeal is permitted by law from a justice court to the district court the notice of appeal required by Rule 72(a) shall be filed with the clerk or justice of the justice court within 20 days of the date of service of written notice of the entry of the judgment or order appealed from, except as otherwise provided by law. (Emphasis added).

In this case, a small claims hearing was held on November 29, 2016. Thereafter, a Referee's Findings of Fact, Conclusions of Law and Recommendations were entered on December 5, 2016. RA000004-5. Petitioner subsequently filed a timely appeal, in the form of a Formal Objection Notice, pursuant to JCRCP 98, which requires a notice of appeal within 5 days from the

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entry of the judgment. RA000006. However, following the trial de novo, JCRCP 72B was applicable. This is further supported by the Civil Law Self-Help Center website "Appealing A Small Claims Judgment" page, in which the "Overview" subsection states, "Both the plaintiff and the defendant have five business days from the date the decision was filed (plus three calendar days if the decision was mailed) to **object or appeal** the decision." RA000072, ¶ 1. (Emphasis added).

The decision referenced in the self-help center page is similar to the Referee's Findings of Fact, Conclusions of Law and Recommendations, which were filed following the initial small claims hearing. In addition, the self-help page references a party's right to "object or appeal," which is precisely what Petitioner did following the initial small claims hearing before the small claims referee. RA000072. Following Petitioner's appeal and formal objection, the case was heard before Justice Court Department IV and a trial de novo went forward in justice court on March 17, 2017. RA000007. Thereafter judgment was entered on March 24, 2017. RA000008-12.

After the referee's findings following the initial small claims hearing, Petitioner's appeal or formal objection is appropriate under the five-day rule. *See* Nev. JCR. Civ. P. 98. Whereas here, Appellant's Notice of Appeal was filed on April 7, 2017, well within 20 days of the date of service of the justice court's entry of the judgment from the subsequent trial de novo. RA000013-19. Naturally, it

follows that when LVP sought an appeal to district court of the justice court judgment following trial de novo, the language under JCRCP 72B was reasonably applicable, because LVP's appeal arose from the justice court trial and not the small claims hearing.

It is important to note that the Justice Court Rules of Civil Procedure are silent on formal objections in small claims matters. There being a lack of legal authority interpreting Rule 72B and 98, the self-help website provided guidance as to the applicable appellate procedure in small claims matters. As noted above, the self-help website advises a party has five days to object or appeal. RA000072. Being that Petitioner filed a formal objection following the small claims referee's findings, the five-day ruled was appropriately applied to Petitioner's initial objection or appeal. However, after undergoing a trial de novo in justice court, LVP sought to appeal the justice court judgment to district court. As such, LVP's appeal is from justice court to district court, not from the small claims hearing. Thus, the 20 day rule, pursuant to JCRCP 72B applies.

B. Respondent District Court Appropriately Applied JCRCP 1, Where the Literal Application of a Rule Would Work Hardship or Injustice, as in LVP's Appeal and Petitioner's Motion to Dismiss Appeal.

Petitioner contends Respondent District Court inappropriately applied JCRCP 1 to its rationale and interpretation of JCRCP 72 and JCRCP 98. However, there is ambiguity and vagueness as to whether Rule 72B or 98 should apply

regarding the time afforded to appeal a judgment. In fact, the Respondent District Court conceded there was procedural ambiguity as to the rules of civil procedure, "The Court further finds that the timeline to file the appeal in this case may have been ambiguous, given the procedure that occurred in the justice court small claims case." RA000105, Il. 13-15. Given this ambiguity and potential injustice and hardship to LVP, Rule 1 was appropriately applied and Respondent District Court issued an order in the interests of justice.

1. There is ambiguity in the application of JCRCP 72B or JCRCP 98 to a small claims trial de novo, specifically where a party had already filed a formal objection to the initial small claims hearing referee's decision.

In instances where a literal application of the rules would work hardship or injustice, Rule 1 requires the court to make orders in the interest of justice.

"Whenever it is made to appear to the court that a particular situation does not fall within any of these rules or that the literal application of a rule would work hardship or injustice in a particular situation, the court **shall** make such order as the interests of justice require." Nev. JCRCP 1. (Emphasis added).

The basic purpose of small claims courts is to provide a less costly and protracted summary procedure for the litigation of claims not exceeding a specified, relatively low maximum amount. Thus, certain legal technicalities which may encumber an ordinary proceeding are generally dispensed with in a small claims proceeding. *Cheung v. Eighth Judicial Dist. Court of Nev.*, 121 Nev. 867, 869, 124 P.3d 550, 552 (2005) (citing Nancy M. King, Annotation, *Small Claims*: Jury Trials Rights

in, and on Appeal From, Small Claims Court Proceeding, 70 A.L.R. 4th 1119, 1121 (1989)).

In the present matter, the ambiguity between Rule 72B and 98 gives rise to an injustice and hardship prejudicing LVP, especially if its appeal were dismissed on the basis of Rule 98. There is limited case law addressing this very issue. Moreover, there is also some confusion in the Civil Law Self-Help Center. Specifically, on the website under the sub-section "Appealing The Case" there is an explanation of "Step 2: Calculate your time limit to appeal," in which it is stated that in order to appeal a judgment entered in Justice Court, a notice of appeal must be filed within twenty days. RA000067. In this case, LVP filed its notice of appeal of a judgment entered in <u>Justice Court</u>, and per the guidance offered in the self-help website, filed well within the twenty day requirement. (Emphasis added).

As noted above, there is also a section in the Civil Law Self-Help Center website for "Appealing A Small Claims Judgment." The website explains that either party has five business days to object or appeal the decision. In this matter, Petitioner appealed the original small claims referee's decision via an objection in December, 2016. RA000072. This demonstrates Petitioner's subsequent appeal was an appeal of a judgment made in Justice Court, distinguishable from Respondent's earlier appeal or objection from small claims court.

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Overall, this demonstrates an ambiguity on the applicability of Rule 72B or 98. There is limited case law or guidance on the interpretation of Rule 72B and 98, along with how they apply to small claims matters such as this one: where Petitioner appealed or filed a formal objection of a small claims hearing and LVP subsequently appealed following a trial de novo in Justice Court. As such, LVP referenced the Civil Law Help Center website for guidance.

The Civil Law Help Center noted that an appeal or objection could be made within five days following a small claims judgment. It follows that the appeal of a small claims judgment had already occurred when Petitioner filed its formal objection to the small claims hearing referee's decision. As such, an appeal of a Justice Court judgment was appropriate. Thus, LVP filed its notice of appeal pursuant to Rule 72B.

2. Although Respondent District Court ruled JCRCP 98 was applicable to LVP's appeal, it appropriately applied JCRCP 1, given the prejudice to LVP caused by the ambiguity of the rules, the minimal prejudice to Petitioner and the preferred rationale of deciding a case on its merits.

The interests of justness and fairness are better served by permitting LVP's appeal to be heard on its merits. The issue before this Court is vague, as both JCRCP 72B and 98 fall within the purview of civil procedure rules in Justice Court. Moreover, and as noted above, the Civil Law Help Center website advises of the twenty day rule for appeals of judgments in Justice Court. RA000067. The

website also adds to the ambiguity by advising readers that either party can appeal or *object* a small claims decision. RA000072. (Emphasis added). This is exactly what Petitioner did following the original hearing of this matter before Small Claims. When the matter was heard again at the trial de novo before Justice Court, Rule 72B appeared to be a natural and reasonable application.

As admitted by Petitioner, this not an issue that is commonly addressed before an appellate district court or before this Court on a petition for writ. Thus, there is a lack of established case law interpreting the distinction between the two rules. Further, under Rule 1: "Whenever it is made to appear to the court that a particular situation does not fall within any of these rules or that the literal application of a rule would work hardship or injustice in a particular situation, the court shall make such order as the interests of justice require." (Emphasis added). Further, this Court must consider the state's underlying basic policy of deciding a case on the merits whenever possible. Kahn v. Orme, 108 Nev. 510, 835 P.2d 790, 793 (1992). As a proper guide to the exercise of discretion, it is the basic underlying policy to have each case decided upon its merits. In the normal course of events, justice is best served by such a policy. Hotel Last Frontier Corp. v. Frontier Properties, 79 Nev. 150, 156, 380 P.2d 293, 295 (1963).

Here, under Rule 98's application, LVP's Notice of Appeal was only two days tardy, which demonstrates a lack of prejudice to Petitioner. In addition, the lack of case law history establishing a clear interpretation of the rule and the added ambiguity in relying upon the self-help website resulted in an injustice or hardship prejudicing LVP. As such, the interests of justice would be served by hearing Petitioner's appeal on its merits and not disposing of it due to the ambiguity in the rules.

Petitioner cited to *Gladys Baker Olsen Family Trust, By & Through Olsen v. Olsen*, 109 Nev. 838, 858 P32d 385 (1993) (quoting *Thompson v. I.N.S.*, 375 U.S. 385 (1964) (Clark, J. dissenting)), in arguing Respondent District Court inappropriately applied JCRCP 1 and that the justice court rules are inflexible in considering the timeliness of a notice to appeal. Yet, this rationale is contrary to the principles of this State's small claims tribunal. In addition, in *Olsen* this Court considered whether a non-party could intervene in an action after final judgment. This Court concluded the non-party in *Olsen* had never appropriately become a party to the suit.

This matter is distinguishable from *Olsen*, because LVP is clearly a party and the real party in interest. Further, LVP simply sought application of JCRCP 1 in the determination of the timeliness and appropriateness of its appeal of the small claims justice court judgment. This is a far cry in comparison to the non-party's

request in *Olsen*, in which it sought to be a party to an appeal after never having been a party to the underlying action.

Further, Petitioner also cited to *Culinary and Hotel Serv. Workers Union v. Haugen*, 76 Nev. 424, 357 P.2d 113 (1960). In *Haugen*, this Court addressed whether the trial court, by ex parte motion, could extend the time for a new trial. In *Haugen*, this Court held the District Court could not, by ex parte motion, extend the time for filing a new trial or for filing a notice of appeal, pursuant to NRCP 6(b).

In its analysis, the Court in *Haugen* compared Rule 6(b) to its Federal counterpart and specifically noted that Rule 59(b) [motion for new trial] and 73(a) [notice of appeal] were among the deadlines the District Court was prohibited from extending. *Id.*, at 426-427. Nev. R. Civ. P. 6(b) reads, in pertinent part,

"... the court for cause shown may at any time in its discretion (1) with or without motion or notice order the period enlarged ... but it may not extend the time for taking any action under Rules 50(b), 50(c)(2), 52(b), 59(b), (d) and (c) and 60(b), except to the extent and under the condition stated in them."

As such, the Court in *Haugen* relied upon NRCP 6(b) as a basis for precluding the district from enlarging time.

In the present matter, there is a justice court counterpart in Nev. JCR. Civ. P. 6(b), which states:

- "... the court for cause shown may at any time in its discretion
- (1) with or without motion or notice order the period enlarged

... but it may not extend the time for taking any action under Rules 50(b), 50(c)(2), 52(b), 59(b), 60(c)(2), 59(b), 60(c)(2), except to the extent and under the conditions stated in them."

However, unlike *Haugen*, the proceeding in question is not among those specifically precluded under JCRCP 6(b). More plainly, a notice of appeal under JCRCP 72B or 98 is not among the actions the court is prohibited from enlarging. Unlike *Haugen*, in this case there is no unambiguous rule prohibiting enlargement of the time to file a notice of appeal or prohibiting the Respondent District Court's application of Rule 1. This matter is further distinguishable from *Haugen*, because there is no NRCP counterpart to JCRCP 1 requiring a court to issue an order in the interests of justice. It follows that Rule 1 and 6(b) were instituted with the intent of providing flexibility to the courts in small claims matters where legal technicalities should not encumber just proceedings. Accordingly, *Haugen* is distinguishable from this matter and the Respondent District Court was not precluded from applying Rule 1.

In the present matter, this specific scenario appears to be the type contemplated in Rule 1. As noted above, an interpretation of Rules 72B and 98 is ambiguous. However, if this Court were to find Rule 98 were applicable, then the literal application of the rule would be contrary to this Court's holding in *Cheung*, to dispense with certain legal technicalities that may encumber the small claims

process. Accordingly, this Court should affirm Respondent District Court's Decision to apply JCRCP 1 and deny Petitioner's Motion to Dismiss Appeal.

V.

CONCLUSION

The District Court erred in applying JCRCP 98 rather than JCRCP 72B but did not err in denying Petitioner's Motion to Dismiss Appeal and appropriately applied JCRCP 1. Accordingly, LVP prays this Honorable Court affirm Respondent District Court's decision and deny Petitioner's Petition for Writ of Mandamus.

DATED this 17th day of October, 2017.

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CERTIFICATE OF COMPLIANCE

I hereby certify that I have read this Petition, and to the best of my knowledge, information, and belief, it is not frivolous or interposed for any improper purpose. I further certify that this brief complies with all applicable Nevada Rules of Appellate Procedure, and in particular NRAP 28(e), which requires every assertion in the brief regarding matters in the record to be supported by a reference to the page of the transcript or appendix where the matter relied on is to be found. I further certify that this brief complies with the formatting requirements of Rule 32(a)(4)-(6), and either the page-or type-volume limitations stated in Rule 32(a)(7). I understand that I may be subject to sanctions in the event that the accompanying brief is not in conformity with the requirements on the Nevada Rules of Appellate Procedure.

DATED this 17th day of October, 2017.

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CERTIFICATE OF MAILING AND FACSIMILE

Pursuant to Nevada Rules of Civil Procedure 5(b), I hereby certify that service of the foregoing, **REAL PARTY IN INTEREST'S ANSWER BRIEF**, was made this <u>17th</u> day of October, 2017, via facsimile, pursuant to EDCR Rule 7.26(a), and by depositing a true and correct copy of the same for first class mailing at Las Vegas, Nevada, addressed as follows:

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